

Media Statement For Immediate Release

Date: 18 July 2025

The Nkomazi Special Economic Zone (NSEZ) board has noted a number of misleading information currently doing the rounds in the community and within the media fraternity. It is specifically for this reason why the board has taken a resolution to set the record straight and share correct information with the general public and media outlets.

The NSEZ is an economic development tool aimed at promoting economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology.

It is a catalytic project that will grow the agricultural sector, increase export volumes and unlock value chains and value add opportunities, especially for small businesses and black industrialists.

The entity is envisioned as a mechanism for economic growth and industrial development located in Nkomazi Local Municipality, leveraging its strategic location and focusing on key sectors to attract investment and create jobs. As per sections 7(2) and 7(3) of the Special Economic Zones Act No. 16 of 2014, the NSEZ is governed by the Board of Directors which was appointed by the Member of Executive Council for the Department of Economic Development and Tourism.

The Board has noted media reports which suggested that millions of Rands in public funds are being pumped into the coffers of the NSEZ and that the entity has no infrastructure, no operations, and no progress.

These are baseless and misleading reports. These reports do not reflect the reality of the NSEZ's implementation, which is progressing in clearly defined and regulated phases. The bulk of the budget is for the engineering designs for the bulk infrastructure ie to provide detailed plans for:

- 1. External Bulk water supply.**

- 2. External Bulk sewerage.**
- 3. External Bulk Roads & Storm water.**
- 4. External Bulk & Internal Electrical Services.**
- 5. Internal Engineering Services.**

The delivery of the Nkomazi SEZ programme would be executed in phases, namely, the Designation Phase, the Interim Phase, the Development Phase and the Operations Phase. The NSEZ are currently focusing on the Interim Phase.

In essence, this is a phase where issues of detail planning and detailed designed of Bulk Infrastructure are being addressed. It is in this phase where we have to ensure that the following is executed, viz

- a well-oiled and fit-for-purpose SEZ Entity is established.**
- all the statutory requirements are fully complied with;**
- the township is established and registered with the office of the Surveyor General**
- all the necessary licenses, such water use and Environmental Authorisation are obtained.**
- Service Providers were appointed to do all the detailed engineering designs of bulk infrastructure and internal services, and that work is almost complete.**
- We have managed to put in place a full Board of the Nkomazi SEZ Entity in November 2024 and we have also appointed the Chief Executive Office and the Chief Financial Officer in May 2025.**
- Key Critical Positions required to complete the Interim Phase are in the process of being filled.**
- Clearing of the site and installation of mobile offices, set to be completed by September 2025.**
- Parallel to the activity of the detailed engineering designs, the Nkomazi SEZ is also working with Infrastructure South Africa to bring the current business plan of the Nkomazi SEZ Entity into bankability level for Financial Support. The NSEZ will require R2,5Billion for infrastructure development which is currently being sourced by the entity through blended finance.**

Clarifying Funding and Operational Model

Unlike other state-owned enterprises, the NSEZ does not receive huge funding support from government. The entity was established to be self-sustaining, generating its own income by attracting investors who will be direct players or participants in the NSEZ.

Furthermore, it is worth mentioning that the NSEZ is being delivered in phases or stages. The phases include Designation, governance establishment, land development and investor occupancy. The Board would like to confirm that the first phase, Designation phase, has been achieved.

We are currently on the second phase which is focusing on the development of governance structures. The Entity will soon be rolling out the next phase, which is land development and location of investors. It is also worth mentioning that the NSEZ has three programmes, namely Administration, which is meant to provide administrative support for the implementation of the mandate of the Entity and this programme consists of the Office of the Chief Executive Officer (CEO), Corporate Services with the following units (Human Resource Management; Legal Services; Communication) and Financial and Risk Management.

Programme 2, which is the Investment Promotion, Agro Processing and Business Development is meant to promote the NSEZ as an attractive investment zone to grow sustainable businesses for export and drive community development.

The Programme 3, which is the Infrastructure and Zone Management is meant to develop and manage modern responsive infrastructure to support businesses in the SEZ.

Call for Responsible Reporting and Stakeholder Support

The Board urges members of the media and the public to seek verified information and to refrain from spreading unconfirmed or inaccurate reports. Irresponsible reporting has the potential to undermine investor confidence and derail developmental progress.

We encourage continued stakeholder engagement and constructive dialogue. The NSEZ remains committed to transparency, and we will continue to host community roadshows and stakeholder briefings to provide regular updates on our progress.

In our last stakeholder engagements, we shared information about the Entity. We call on all stakeholders, including the media, to support this critical

initiative which stands to unlock significant economic value and opportunity for the people of Nkomazi and the province at large.

Ends.

From the Nkomazi SEZ Entity

For more information, please contact the Nkomazi SEZ Information Desk.

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